P&E

App. F. IX-4

Previous References 1933.4 (Sep) File No. 47-33

Serial Nos. 1

Later References

Review

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Nil

Part B for March 1934

SUBJECT.

Note Explaining the effect of the new Tariff Bill now before the Legislature.

M.A. Ahmad
Kabul
7/4/34

General and Revenue Secretariat | File No. of 193 .

Serial No.

The typed note placed below, which I have received from the Deptt of Industries & Commerce, briefly explains the effects of the new Tariff Bill now before the legislature assembly—
The chief benefit as far as Mysore is concerned is that the duty on raw silk & silk yarn has been raised of 11½ annas per lb. This will assist the sericultural industry in Mysore, but as remarked by the Tariff Board the protection is not as adequate as we had hoped.

As regards silk fabrics, the existing duty of 50% ad valorem has been changed to 50% ad valorem, or Rs 3 (or 5/12, or 8—annas) per different classes of goods per lb which ever is higher. This is also of some advantage to the indigenous silk manufacture as specific duties now imposed are higher than the 30% ad valorem duty hitherto levied.

As regards cotton yarn & hosiery I am expecting to get a note shortly from the K.R.S mills

by
8/2/34

Dewan

His H. would be interested to know

Mr.

Jm
8/2

NOTE—Contn. Sheet.

WD 02553—GPB—50,000—8 7 30

Jm
8/2

Subd with a signed final note.

CEC
9/2/34

DEWAN'S OFFICE
8 FEB 1934
No. 5158

2

Final Note by the First Member of Council.

Subject:—

Protection to the Textile Industry.

I submit herewith for His Highness' gracious perusal a note (obtained from the Department of Industries and Commerce), briefly explaining the effects of the new Tariff Bill now before the Legislative Assembly.

The chief benefit as far as Mysore is concerned is that the duty on raw silk and silk yarn has been raised by 11½ annas per lb. This will assist the sericultural industry in Mysore, but as remarked by the Times of India, in their leading article of the 6th February, the protection is not as adequate as we had hoped.

As regards silk fabrics, the existing duty of 50 per cent ad valorem has been changed to 50 per cent ad valorem, or Rs.3 (or 5/12 or 8 - according to different classes of goods) per lb. whichever is higher. This is also of some advantage to indigenous silk manufacture as the alternative specific duties now imposed are higher than the 50 per cent ad valorem duty hitherto levied.

As regards cotton yarns and hosiery, I am expecting to get a note shortly from the K.R.S. Mills which will be submitted for His Highness' information in due course.

Bangalore,
9th February 1934.

MEMBER OF COUNCIL.

Submitted to His Highness.

3

I submit herewith a Final Note by the First Member of Council on the subject of the protection to the Textile Industry for His Highness' gracious ~~approval~~ perusal.

Mirza M. Ismail
Dewan.

Bangalore,
9th February 1934.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Note explaining the effects the new Tariff Bill now before the Legislative Assembly.

459.

C. Secy
M
1-3-34

RB
2/3/34.

Order.

~~KRW~~
13/2/34

Seri. 87-33-1

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D 5 428

General and Revenue Secretariat

Note explaining the effects of the new Tariff Bill now before the Legislative Assembly.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangaka

Chief Secretary to Government.

Through the Secretary to Government,

Dev Department.

4.3.34.

6783
5.3.34

FIRST MEMBER OF COUNCIL.

5628
5/3

SECOND MEMBER OF COUNCIL.

Dev- Leg with Compts

DENOTE—Contn. sheet(s)

9.3.34.

6/3/34

6.3.34.

7/3/34

Respectfully submitted.

TARIFF BILL.

The Select Committee of the Legislative Assembly have made only a few changes in the bill amending the Tariff Act in regard to the miscellaneous goods.

1) Provisions relating to Soaps have been clearly expressed to avoid doubt and confusion. Formerly, there was room for better qualities of soaps (household and laundry) being imported in plain bars to get the benefit of the lower level of duty (Rs.4 per cwt.). Now qualifying words have been added so that the better qualities of soaps pay the higher level of duty(Rs.6 per cwt).

2) Woollen Mixtures.- Provisions relating to woollen piecegoods and woollen mixtures have been clearly defined and no change is made in the level of duty originally introduced.

In the Bill now before the Legislative Assembly, Government have given effect to the recommendations of the Indian Tariff Board with regard to the Cotton and Sericultural Industries, having regard at the same time to the agreement with Japan and the un-official agreement arrived at between the Bombay Mill Owners' Association and the Lancashire Textile Delegation. References made in the original bill to cotton hosiery and silk and artificial silk mixtures have undergone modifications.

The following are the important provisions of the bill affecting our industries.

(1) Raw silk and silk yarn including thrown silk warps are subject to a duty of 25 per cent advalorem plus

plus 11½ annas per lb. The existing duty is 25 per cent advalorem. The levy of the higher rate of duty has the effect of raising the prices of foreign silk to approximate to the level of the prices of Mysore charka silks. The effect of new duty now imposed on the local industry has to be watched.

(2) There has been no change in the rate of duty - 25 per cent ad-valorem-on silk waste and yarn spun from waste silk.

Silk fabrics (containing more than 90 per cent of ~~the~~ silk) are subject to the following levels of duty.

Particulars of goods.	Existing duty.	Duty imposed in the bill.
Fuji Boseki and corded (excluding white corded)	50 per cent ad valorem.	50 per cent or Rs.3/- per lb. whichever is higher.
Paj, Satin, Tafetta, Kodaku and spun crepe.	-do-	50 per cent or Rs.5/12 per lb. whichever is higher.
Other sorts.	-do-	50 per cent or Rs.8/- per lb. whichever is higher.

The provision made in the bill for the levy of specific duty on silk goods calculated on the basis of weight gives some protection to the silk fabrics made here.

Silk or artificial silk mixtures.

Particulars of goods.	Existing duty.	Duty imposed in the bill.	
		British	Non-British
Fabrics containing more than 90 per cent artificial silk.	35% ad-valorem or Rs.0-2-3 per sq.yd. whichever is higher.	30% or 2½ annas per sq.yd.whichever is higher.	50% or 4 annas per sq.yard whichever is higher.
Fabrics containing more than 10% artificial silk	-do-	50 per cent or Rs.20-4-0 per lb., whichever is higher.	
Fabrics containing not more than 10% artificial silk.	35% ad-valorem	50 per cent ad-valorem.	
Fabrics containing not more than 10% silk but more than 10% and not more than 90% art.silk.	-do-	British 30% or 2 annas per sq.yd.whichever is higher	Non-British. 50% or 0-3-3 per sq.yd. whichever is higher.

Particulars.	Existing duty.	Proposed duty in the bill.	
		British	Non-British
Fabrics containing not more than 50% cotton.	35% ad valorem	30% or 2½ annas per sq.yd. whichever is higher.	50% or 4 annas per sq.yd. whichever is higher.

Competition of goods mixed with artificial silk at steadily declining prices was injurious to the Indian Mill Industry. The levy of a specific duty based on weight gives some protection to the local industry. It may be noted that preference is now shown to the imports of British manufactures, and the non-British manufactures are subject to a higher level of duty.

Cotton undervests, knitted or woven and cotton socks and stockings are required to pay an advalorem duty of 25% or 9 annas per lb., whichever is higher, the existing duty being 25% advalorem only. Both knitted and woven goods are included in this category. Specific duty of Rs.0-10-0 per dozen pairs of socks and stockings originally introduced in the bill is modified to 9 annas per lb. Specific duty calculated on the basis of weight is now substituted for the specific duty based on dozens of pairs as introduced originally in the bill.

Cotton twist and yarn.

Particulars.	Present level of duty.	Proposed level of duty.	
		British	Non-British
Cotton twist & yarn (a) of counts above 50s.	6¼% or 0-1-7/8 annas per lb. whichever is higher	5% advalorem	6¼% advalorem.
(b) of counts 50s and below.	-do-	5% or one quarter anna per lb. whichever is higher.	6¼% or 0-1-7/8 annas per lb. whichever is higher.

The Indian Mill Industry claimed protection against foreign imports of yarn of low counts. Provision made in the bill is not adequate to secure the Industry the required protection.

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8/2/31